

## Executive Summary Report

**Appraisal Date 1/1/2005 - 2005 Assessment Roll**

**Quadrant Name: Central King County Commercial Area**

**Previous Physical Inspection: 1/2004**

### **Sales - Improved Summary:**

Number of Sales: 204

Range of Sale Dates: 1/2002 – 2/2005

Sales – Ratio Study Summary:				
	Improved Value	Sale Price	Ratio	COV
2004 Average Value	\$1,559,000	\$1,892,500	82.40%	21.00%
2005 Average Value	\$1,817,400	\$1,892,500	96.80%	11.40%
Change	+ \$ 273,500		+ 14.40%	- 9.60%
%Change	+ 17.54 %		+ 17.48%	- 45.71%

\*COV is a measure of uniformity, the lower the number the better the uniformity. The negative figures of – 9.60% and – 45.71% actually represent an improvement.

Sales used in Analysis: All improved sales which were verified as good that did not have characteristic changes between the date of sale and the date of appraisal were included in the analysis.

### **Population - Improved Parcel Summary Data:**

	Land	Imps	Total
2004 Value	\$6,770,909,651	\$7,242,098,845	\$14,013,008,496
2005 Value	\$7,734,503,558	\$7,143,047,807	\$15,353,063,665
Percent Change	+ 14.23%	-1.37%	+ 9.56%

Number of improved Parcels in the Population: 4,640

### **Conclusion and Recommendation:**

Since the values recommended in this report improve uniformity, assessment level and equity, we recommend posting them for the 2005 Assessment Roll.

The values shown in the improvement portion of the chart represent the total combined value for land and improvements.

## Analysis Process

### Highest and Best Use Analysis

**As if vacant:** Market analysis of this area, together with current zoning and current anticipated use patterns, indicate the highest and best of the majority of the appraised parcels as commercial use. Any opinion not consistent with this is specifically noted in our records and considered in the valuation of the specific parcel

**As if improved:** Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. We find that the current improvements do add value to the property, in most cases, and are therefore the highest and best use of the property as improved. In those properties where the property is not at its highest and best use, a token value of \$1,000.00 is assigned to the improvements.

**Interim Use:** In many instances a property's highest and best use may change in the foreseeable future. A tract of land at the edge of a city might not be ready for immediate development, but current growth trends may suggest that the land should be developed in a few years. Similarly, there may not be enough demand for office space to justify the construction of a multistory office building at the present time, but increased demand may be expected within five years. In such situations, the immediate development of the site or conversion of the improved property to its future highest and best use is usually not financially feasible.

The use to which the site is put until it is ready for its future highest and best use is called an interim use. Thus, interim uses are current highest and best uses that are likely to change in a relatively short time.

**Standards and Measurement of Data Accuracy:** Each sale was verified with the buyer, seller, real estate agent or tenant when possible. Current data was verified and corrected when necessary via field inspection.

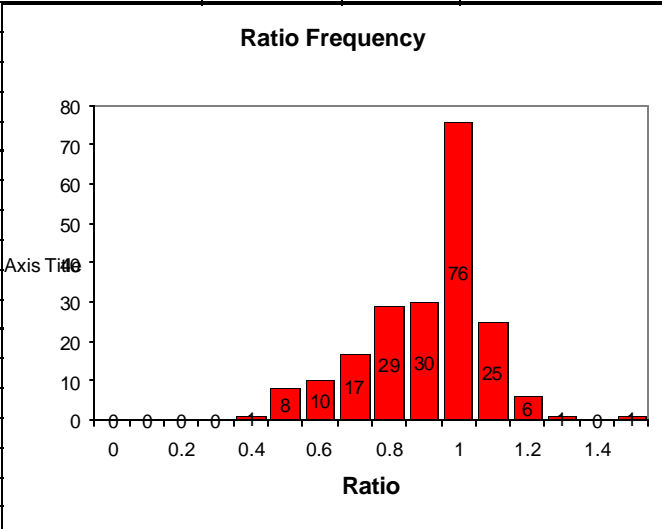
### Special Assumptions, Departures and Limiting Conditions

We considered all three approaches to value. Contract rent was used in place of economic rent, in some cases.

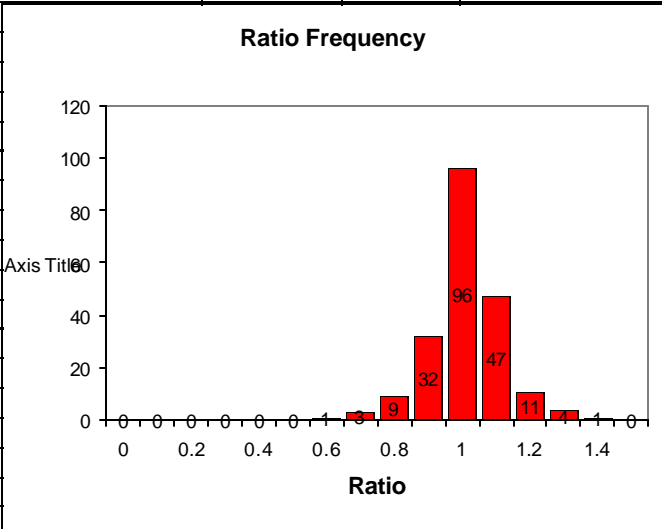
The following Departmental guidelines were considered and adhered to:

- Sales from 1/03 to 1/05 (at minimum) were considered in all analyses.
- No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends. The utilization of two years of market information without time adjustments averaged any net changes over that time period.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

## Improvement Ratio Study (Before Revalue) 2004 Assessments

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:	
Central Crew	1/1/2004	4/29/2005	1/2/2002 - 2/16/2005	
Area	Appr ID:	Prop Type:	Trend used?: Y / N	
OVERALL	DATK	Improvement	N	
SAMPLE STATISTICS				
Sample size (n)	204	 <p>Ratio Frequency</p> <p>Axis Title</p> <p>Ratio</p>		
Mean Assessed Value	1,559,000			
Mean Sales Price	1,892,300			
Standard Deviation AV	2,568,961			
Standard Deviation SP	4,148,981			
ASSESSMENT LEVEL				
Arithmetic mean ratio	0.864	These figures reflect measurements before posting new values.		
Median Ratio	0.915			
Weighted Mean Ratio	0.824			
UNIFORMITY				
Lowest ratio	0.3427	These figures reflect measurements before posting new values.		
Highest ratio:	1.6824			
Coefficient of Dispersion	14.98%			
Standard Deviation	0.1814			
Coefficient of Variation	21.00%			
Price-related Differential	1.05			
RELIABILITY				
95% Confidence: Median		These figures reflect measurements before posting new values.		
Lower limit	0.882			
Upper limit	0.940			
95% Confidence: Mean		These figures reflect measurements before posting new values.		
Lower limit	0.839			
Upper limit	0.889			
SAMPLE SIZE EVALUATION				
N (population size)	4640	These figures reflect measurements before posting new values.		
B (acceptable error - in decimal)	0.05			
S (estimated from this sample)	0.1814			
Recommended minimum:	52			
Actual sample size:	204			
Conclusion:	OK			
NORMALITY				
Binomial Test		These figures reflect measurements before posting new values.		
# ratios below mean:	82			
# ratios above mean:	122			
z:	2.730546164			
Conclusion:	Non-normal			
*i.e., no evidence of non-normality				

## Improvement Ratio Study (After Revalue) 2005 Assessments

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:
Central Crew	1/1/2005	4/29/2005	1/2/2002 - 2/16/2005
Area	Appr ID:	Prop Type:	Trend used?: Y / N
OVERALL	DATK	Improvement	N
SAMPLE STATISTICS			
Sample size (n)	204		
Mean Assessed Value	1,832,500		
Mean Sales Price	1,892,300		
Standard Deviation AV	3,940,706		
Standard Deviation SP	4,148,981		
ASSESSMENT LEVEL			
Arithmetic mean ratio	0.965	These figures reflect measurements after posting new values.	
Median Ratio	0.976		
Weighted Mean Ratio	0.968		
UNIFORMITY			
Lowest ratio	0.5514		
Highest ratio:	1.3274		
Coeffient of Dispersion	7.92%		
Standard Deviation	0.1100		
Coefficient of Variation	11.40%		
Price-related Differential	1.00		
RELIABILITY			
95% Confidence: Median			
Lower limit	0.965		
Upper limit	0.987		
95% Confidence: Mean			
Lower limit	0.950		
Upper limit	0.980		
SAMPLE SIZE EVALUATION			
N (population size)	4640		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.1100		
Recommended minimum:	19		
Actual sample size:	204		
Conclusion:	OK		
NORMALITY			
Binomial Test			
# ratios below mean:	86		
# ratios above mean:	118		
z:	2.17043413		
Conclusion:	Non-normal		
*i.e., no evidence of non-normality			